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Will Sustainable Fashion Ever Beat Value Fashion?

Michal Strahilevitz

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Soft Power

Sacai designer Chitose Abe took us to the fourth dimension, marrying masculine tailoring with feminine couture-inspired volumes for shape-shifting looks in one of her best collections yet. *For more from Paris, see pages 6 to 11.*

PHOTOGRAPH BY DOMINIQUE MAÎTRE

BUSINESS

Industry Adjusts Calendar Amid Coronavirus Outbreak

- Worries around the virus are rearranging the industry's schedule.

BY WWD STAFF

The coronavirus fallout continues to whip around the globe, disrupting companies' strategies from Tokyo to Silicon Valley.

On Monday, Gucci canceled plans to host its 2021 cruise fashion show in San Francisco on May 18, while Target Corp. said it would axe the in-person part of an investor meeting in New York that was planned for today. Meanwhile, retail sales in Hong Kong were seen falling hard and Tokyo Fashion Week was canceled.

But even as it became more evident the disease has been spreading undetected in the U.S. for weeks, Wall Street managed to reverse its epic slide, pushing the Dow Jones industrial Average up 1,293.96 points, or 5.1 percent, to 26,703.32 on hopes

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BUSINESS

Will Sustainable Fashion Ever Beat Value Fashion?

- If it doesn't, fashion will be to blame, not shoppers.

BY KALI HAYS

There's no doubt that "sustainable fashion" is not as available or popular as it needs to be for it to have a major impact on the industry, but before it becomes the norm there are a heap of issues to get over — not least shoppers' relatively newfound expectation that fashion, or just plain clothing, should be cheap.

Sustainable fashion is not that.

A women's white cotton T-shirt from Everlane, for example, costs \$18. A similar looking T-shirt from Hanes is \$6. That's a cost difference of 66 percent. A basic insulated puffer jacket from Patagonia, made mainly from recycled fabrics and sustainable synthetic filling, costs about \$200. A similar look from Old Navy goes for \$55 — a cost difference of 260 percent. A pair of jeans from Re/Done, started as a denim-only line that reworked vintage Levi's into more modern shapes, meaning no major manufacturing harms, retails for

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around \$240. A pair of jeans from Walmart, either in-house lines or those from Wrangler and Levi's, costs \$20. That's a difference of 1,100 percent. The price difference for luxury brands, many of which are increasingly offering sustainable fabrications and have long produced more locally, is even more extreme. Mulberry just debuted its first "fully sustainable" bag, priced at just under \$900.

Looking at the price differences, even for a simple T-shirt, it's not surprising

that sustainable fashion is still more of a discussion in the industry than a sea change. Even as concern among people and consumers around climate change and the impact corporations have on finite earthly resources is increasing, getting a consumer to act on that concern in their every purchase is a big ask.

"Even if these values are salient during purchase and the consumer can tell clearly which option is better for the environment, values about sustainability

are, at best, just one other input into the factors being considered," said Ravi Dhar, an economist and Yale University professor who directs its Center for Customer Insights. "And there is obviously a limit to what consumers would pay for the more sustainable product."

It's almost impossible to pinpoint where that limit is. But it seems very likely that a typical shopper, if presented with a sustainable product that's potentially hundreds of dollars more expensive than

a similar one produced through more harmful methods, would choose the value option. And it shows up in what limited research there is on consumption of sustainable fashion.

Harvard Business Review last year said a survey turned up that 65 percent of people say they want to buy from "purpose-driven brands that advocate sustainability," but only 26 percent actually do so. Another study from A.T. Kearney found that 70 percent of consumers said they want to buy sustainably, but only 50 percent do so. Research last year from New York University Stern's Center for Sustainable Business did find that sustainable products in the consumer packaged goods category have a higher rate of growth among purchasers, compared to non-sustainable goods. But the fact remains there is a large gap between what people say they want and how they spend their money.

"This does not mean they don't care, but the intent-behavior gap is well known and arises for many reasons," Dhar said. He pointed to various factors, from being in a rush to convenience to ideas of cleanliness around certain products. And even if a person is actively thinking about making a sustainable choice when shopping, the word "sustainability" has become so overused and vague that Dhar said, "There is often no easy way to identify the sustainable option...so consumers end up relying on familiar ways of deciding, e.g. what is a good deal."

For anyone that's forgotten or, more likely, been confused about the meaning of "sustainable" due to a mishmash of claims, marketing and cherry picking, the dictionary describes sustainability as "an avoidance" of depleting natural resources in order to maintain "ecological balance." For a fashion or apparel company to do this, a company generally has to put in more time and financial resources for sourcing and manufacturing — using single fiber or recycled textiles, investing in newly made sustainable fabric options and the use of environmentally certified factories that pay workers a fair wage just costs more. Unfortunately, the industry is still so heavily tilted toward inexpensive new textiles and cost-cutting factories that the ultimate expense of sustainable fashion is still much higher than value fashion.

But even if there are studies trying to gauge how willing consumers are to pay for sustainable products, the question in and of itself allows "a bit of a bias," according to Michal Strahilevitz, a consumer psychologist and associate professor of marketing at Saint Mary's College of California.

"It costs nothing to say you will pay more, but actually doing it is another matter," she added. "That said, there is no question the tide is turning on sustainability. A growing number of people are willing to make sacrifices for the environment, whether it's paying more or being inconvenienced, in order to have a more positive impact on the planet."

When it comes to fashion, however, most sustainable offerings are essentially a luxury proposition and the A.T. Kearney study last year found that "cost" is the number-one obstacle for people when considering buying a sustainable product. But people who can afford to buy sustainably and do so may well live a more unsustainable lifestyle than a person with a tight budget who shops value.

"If you drove your gas-guzzling SUV to get a green shirt, you are not outdoing the girl who took a bus to buy a less green option from a discount store," Strahilevitz said.

Basically, there is retraining to do on the consumer mind-set front, as well as the business front, if sustainable consumption is to ever be the rule, rather than the rare exception. By 2030, annual global apparel consumption is projected to ►

PARIS SPECIAL EDITION

WWD

rise by 63 percent, growing to 102 million tons from 62 million tons today, according to a report last year put together by the U.K. Parliament. That's the equivalent of more than 500 billion more T-shirts, or 64 T-shirts for each currently living person. And Parliament found that less than 1 percent of material used to produce clothing is currently being recycled into new clothing at the end of its life. At the current rate of consumption/production for all goods, by 2050 resources from the equivalent of three planets will be required to keep up with "current lifestyles," according to a separate report by the United Nations.

But the onus for change is mainly on brands and corporations which are designing, manufacturing and marketing products, according to experts.

"I'm not ready to blame the consumer until they've gotten the straight story on sustainable fashion," said Linda Greer, a senior fellow at the Institute for Public and Environmental Affairs who previously spent almost 30 years with the National Resources Defense Council. "There's nothing circular about the business model right now and when you look at the technology that's available to make the industry sustainable—that's what's 10 years out."

Many companies are making efforts toward more sustainable practices and adding executives to work on new initiatives internally. One of the most active and outspoken is French luxury conglomerate Kering, which owns brands like Gucci, Balenciaga and Yves Saint Laurent. The company said early this year that it's on track to cut its total environmental impact 40 percent by 2025, doing so through material innovations, greenhouse gas reductions and traceability of its supply chain. Miuccia Prada said before her most recent men's collection that 90 percent of what she showed was made from sustainable fabrics and that it's getting easier to find them, although even for a luxury house like Prada, the increased cost is apparent.

"[Sustainability] is no longer an intention, fabric producers are ready and prepared, it's now customary," the designer said. "It's still more expensive, but as we go along, it will cost less."

There are sustainable moves on the non-luxury front, too. Last year Adidas created a fully recyclable shoe, with the plan being to take worn shoes back and remake them out of the same material. But the shoe won't be available to the public until next year. Fast-fashion chain Zara also has a big goal for 2025: 100 percent sustainable fabrications (it's only at 20 percent today) and zero landfill waste. And companies like The Real Real and ThredUp are pushing the increasingly popular secondhand market they sell in as a sustainable option.

But even with these changes and near constant talk of sustainability among major fashion brands and companies, the industry on the whole is still struggling to change its ways. In its comprehensive sustainability report in 2018, Global Fashion Agenda with the help of Boston Consulting Group found fashion overall is still "weak" when it comes to sustainability, getting a score of 38 out of a possible 100.

"Even under optimistic assumptions, the industry's existing solutions and business models will not deliver the impact needed to transform the industry," the report said. "Fashion needs a deeper, more systemic change."

In an update last year, GFA said that while the industry had continued to improve on its social and environmental performance, the rate of change actually slowed compared to 2018. "The findings demonstrate that fashion companies are not implementing sustainable solutions

Environmental activists demonstrating in London during fashion week last fall.



"[Sustainability] is no longer an intention, fabric producers are ready and prepared, it's now customary. It's still more expensive, but as we go along, it will cost less."

MIUCCIA PRADA

fast enough to counterbalance the negative environmental and social impacts of the rapidly growing fashion industry," the study said. "Companies must push harder, with more focused and coordinated efforts, to overcome technological and economic limitations that hinder progress."

A new study found that the cost to actually transform the industry in the next decade is somewhere between \$20 billion and \$30 billion. That's a huge number, but when the global fashion industry is estimated to be worth more than \$2 trillion, there's certainly money to be had for such investment, even at \$3 billion a year.

With still piecemeal efforts on sustainability, Greer expressed frustration with the pace of change in the industry, even at a time when climate change is becoming a genuine concern among the public and a political touchstone. She also thinks environmentally minded groups and brands need to engage more directly with celebrity culture—not to sell more product, but simply to educate consumers on the impact their choices have and ways they can limit such impact. That will hopefully create a real market for sustainable products and practices.

"We need a mind shift that is not in evidence at all right now...but the industry hasn't really given this a good try yet," Greer said. "Once we've taken a good run and informed the consumer, if their choices don't change [from value to sustainable products], then I'll admit defeat. But we really haven't tried."

"We're not talking about a 50-year practice here, this level of production and consumption is relatively new," Greer added. "But even in the environmental community, I'll point the finger at us for not anticipating the impact globalization would have. We underestimated the impact."

Even if environmental groups did see the effect of global production (i.e. cheap goods at a larger scale than ever before and a disposable mentality) coming, it

may not have made much difference. Such groups are at a major cash disadvantage compared to the global fashion industry.

"Change [among consumers] could happen fast and the people and groups who care about planetary and public health should be using the same publicity and advertising tools as the companies are using to get people to buy all this stuff," Greer said. "But we don't have the resources."

While it may be largely up to companies to change their ways and invest in educating consumers, the still slow rate of change seems to support an argument that it's maybe time for governments to play a much bigger role in fashion's sustainability efforts. Some countries, like the U.K. and France, have put in place new regulations, mainly around supply chain monitoring and transparency in response to 2013's Rana Plaza collapse in Bangladesh, but it hasn't been enough to effect widespread change. Violations, if found, tend to result in simple fines. Proposals for tax reform and new legal requirements have been rejected, as recently as last year.

"There has to be government intervention," said Anika Kozlowski, a professor at Toronto's Ryerson University focused on fashion design, ethics and sustainability. "These companies are so big and so powerful that they buy their way out of everything. They're not accountable for their actions."

In 2014, a study from The World Bank estimated that the finishing and dyeing of textiles "is responsible for up to one fifth of industrial water pollution globally," citing the dumping of wastewater directly into water bodies in "many textile producing countries" due to "weak environmental standards and enforcement." There is also currently no standard for companies being made responsible for their manufactured goods after they are disposed of or simply never purchased. Still, many brands and retailers choose to simply incinerate tons of unsold items, while others ship mass

amounts to other countries, like India and Africa. On a recent trip to Ghana to research apparel waste, Kozlowski saw beaches where piles of clothes and shoes dumped in the ocean washed up.

"Right now there is no such thing as a perfectly sustainable product because it's all coming from an unsustainable system," Kozlowski claimed.

Forcing companies to invest in new textiles and infrastructure for the sustainable manufacture and recycling of their goods, among other changes, will likely be up to governments in the end. In 2015, the Environmental Protection Agency found that Americans alone threw out 16 million tons of textiles and only 15 percent of that was recycled.

"Infrastructure has to be built, at least to accommodate recycling and the take back of materials that we already have, in abundance," Kozlowski said. "If companies were to be made responsible for their products once they were no longer useful, that would be huge."

But frankly, she doesn't see a move like this as imminent, not least given the right-or populist-leaning political environments that so many countries are dealing with, including the U.S., the U.K. and Germany, all major importers of new clothing and major exporters of waste.

"With what's going on politically, it's hard to make a case for intervention," Kozlowski said.

So for now, it's still largely up to consumers to spend based on their values, if they can afford to do so. And then up to brands, large and small, to work on making more sustainable options available.

"Inherently, consumers do not want to buy things that have negative consequences, but they have to be provided with the right choices," Kozlowski added. "We can't expect consumers to care about everything, so it's up to the industry to put the best options they can in front of them." ■